

ASSEMBLY BILL

No. 1005

Introduced by Assembly Member Dutra

February 20, 2003

An act to amend Section 12401.7 of the Insurance Code, relating to title insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1005, as introduced, Dutra. Title insurance: rates.

Existing law prohibits a title insurer, underwritten title company, or controlled escrow company from using any rate in the business of title insurance before its effective date or before it has been publicly displayed, as specified, for at least 30 days. Existing law provides that no rate increase shall apply to title policies or services that have been contracted for prior to the rate's effective date.

This bill would allow a rate to be used before it has been displayed for 30 days if the rate reduces the previously applicable rate and the earlier date is set forth in the regulatory filing with the Department of Insurance.

The bill would also make technical, clarifying changes.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12401.7 of the Insurance Code is
2 amended to read:
3 12401.7. ~~No~~-(a) A title insurer, underwritten title company,
4 or controlled escrow company shall *not* use any rate in the business

1 of title insurance ~~prior to its~~ *before the following dates, whichever*
2 *is later:*

3 (1) ~~Its effective date nor prior to the filing with respect to such~~
4 ~~rate having been.~~

5 (2) *At least 30 days following the date on which the rate was*
6 *publicly displayed and made readily available to the public for a*
7 ~~period of no less than 30 days~~ *in each office of the title insurer,*
8 *underwritten title company, or controlled escrow company in the*
9 *county to which such the rate applies, and no unless the rate*
10 *reduces the previously applicable rate and the earlier date is set*
11 *forth in the filing pursuant to Section 12401.1.*

12 (b) *No rate increase shall apply to title policies or services*
13 ~~which that~~ *have been contracted for prior to such effective the date*
14 *on which the rate may be used pursuant to subdivision (a).*

